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Member, Financial Accounting Standards Foundation

Brief Report on the Settlement of Accounts (Consolidated) for the Business Year Ended March 31, 2025 (J-GAAP)

May 8, 2025

Name of Listed Company: **Daikin Industries, Ltd.** Listed on TSE
Code No.: 6367
(URL: https://www.daikin.co.jp/)
Representative: Naofumi Takenaka, President and COO
Contact: Motoshi Hosomi,
General Manager, Corporate Communication Department
(Tel.: +81-6-6147-9925)

Planned date of Ordinary General Meeting of Shareholders: June 27, 2025
Planned date of start of dividend payment: June 30, 2025
Planned date of the filing of securities report: June 25, 2025
Preparation of supplementary explanatory materials for the settlement of accounts: Yes
Holding briefings on the settlement of accounts: Yes (for institutional investors and analysts)

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2025
(From April 1, 2024, to March 31, 2025)

(1) Consolidated Business Results

Note: Amounts less than one million yen are truncated.
Percentages indicate year-over-year increases/decreases.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	4,752,335	8.1	401,669	2.4	366,446	3.4	264,757	1.7
March 31, 2024	4,395,317	10.4	392,137	4.0	354,492	-3.2	260,311	1.0

Note: Comprehensive income was ¥256,712 million (-47.9%) for the fiscal year ended March 31, 2025, and ¥493,114 million (39.2%) for the fiscal year ended March 31, 2024.

	Earnings per share	Diluted earnings per share	Ratio of earnings for the fiscal year to shareholders' equity	Ratio of ordinary profit to total assets	Operating margin
Fiscal Year ended	Yen	Yen	%	%	%
March 31, 2025	904.27	903.65	9.7	7.3	8.5
March 31, 2024	889.22	888.64	10.7	7.7	8.9

(Reference) Equity in earnings of affiliates was ¥2,176 million for the fiscal year ended March 31, 2025, and ¥1,605 million for the fiscal year ended March 31, 2024.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	5,133,416	2,866,693	54.6	9,567.14
As of March 31, 2024	4,880,230	2,687,302	54.0	9,009.19

(Reference) Equity capital was ¥2,801,281 million as of March 31, 2025, and ¥2,637,536 million as of March 31, 2024.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	514,450	(337,406)	(153,468)	658,105
March 31, 2024	399,567	(227,188)	(129,623)	634,008

2. Dividends

	(Annual) Dividend per share					Total cash dividends for the fiscal year (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	—	120.00	—	130.00	250.00	73,190	28.1	3.0
March 31, 2025	—	185.00	—	145.00	330.00	96,624	36.5	3.6
Fiscal Year ending March 31, 2026 (forecast)	—	165.00	—	165.00	330.00		35.5	

Note: Dividend per share for the 2Q-end of the fiscal year ended March 31, 2025, consists of an ordinary dividend of ¥135 and a commemorative dividend of ¥50 for the Company's 100th anniversary.

3. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2026

(From April 1, 2025, to March 31, 2026)

Note: Percentages indicate year-over-year increases/decreases.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	2,470,000	-0.9	247,000	0.2	231,000	3.0	152,000	0.2	519.12
Full year	4,840,000	1.8	435,000	8.3	405,000	10.5	272,000	2.7	928.95

*Notes

(1) Significant Changes in the Scope of Consolidation during the Period: Yes

Newly included: 10 companies (Varitec Solutions, LLC and others)

Excluded: 9 companies (ABCO Refrigeration Supply Corp. and others)

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

(i) Changes in accounting policies relating to revisions to accounting standards, etc.: Yes

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(3) Number of Shares Issued (common stock)

(i) Number of shares issued at end of period (including treasury shares)

As of March 31, 2025	293,113,973 shares
As of March 31, 2024	293,113,973 shares

(ii) Number of treasury shares at end of period

As of March 31, 2025	311,521 shares
As of March 31, 2024	353,293 shares

(iii) Average number of shares outstanding during the period

Fiscal Year Ended March 31, 2025	292,784,454 shares
Fiscal Year Ended March 31, 2024	292,743,273 shares

(Reference) Summary of Non-Consolidated Business Results for the Fiscal Year Ended March 31, 2025 (From April 1, 2024, to March 31, 2025)

(1) Non-Consolidated Business Results

Note: Percentages indicate year-over-year increases/decreases.

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	792,314	8.1	5,989	-67.9	149,911	29.2	168,760	17.0
March 31, 2024	733,157	-4.0	18,685	-60.6	115,996	-21.0	144,242	1.0

	Earnings per share	Diluted earnings per share
Fiscal Year ended	Yen	Yen
March 31, 2025	576.39	575.99
March 31, 2024	492.72	492.40

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	1,910,436	1,243,700	64.9	4,233.12
As of March 31, 2024	1,776,881	1,177,875	66.1	4,010.39

(Reference) Equity capital was ¥1,239,488 million as of March 31, 2025, and ¥1,174,103 million as of March 31, 2024.

The Brief Report on the Settlement of Accounts is outside the scope of audit by a certified public accountant or an audit corporation.

Explanation about the Appropriate Use of the Business Forecast and Other Noteworthy Points

- The business forecasts are based on information currently available to Daikin Industries, Ltd. (the “Company”) and certain assumptions that are deemed reasonable. Actual results may differ significantly from these forecasts. For the basis of presumption of the business forecast and the notes on its use, please refer to “(4) Business Forecast for the Future” of “1. Overview of Operating Results, Etc.”
- The Company plans to hold a briefing on business results for institutional investors and analysts on Friday, May 9, 2025. Documents and materials distributed in this briefing are posted on the Company’s website (https://www.daikin.com/investor/library/results_materials).

Content of Attachment

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2025

In the fiscal year ended March 31, 2025 (fiscal 2024), conditions for the world economy remained harsh primarily in Europe and the United States. In the U.S. economy, despite strong personal consumption, housing investment was sluggish as a result of continued high interest rates for housing loans. The European economy saw signs of recovery primarily in service demand as inflation continued to cool and wages rose, but it was weighed down by high interest rates and a slump in external demand. The Chinese economy saw a sluggish domestic demand despite strong export-oriented industries. The Japanese economy saw an expansion of capital investment primarily in digital technology-related sectors, although high commodity prices applied downward pressure. In Asia, personal consumption, infrastructure investment, and a recovery in exports supported the economy.

Under this business environment, toward accomplishing the latter-half three-year plan (fiscal 2023 to fiscal 2025) of the strategic management plan “Fusion 25” by fiscal year ending March 31, 2026, as the final year, the Daikin Group accelerated the promotion of measures under 11 key strategic themes, including the three growth strategy themes of “Challenge to achieve carbon neutrality,” “Promotion of Solutions business connected with customers,” and “Creating value with air,” and worked on the creation of economic, environmental, and social value.

During the fiscal year under review, we addressed the following themes, aiming to improve and enhance the Group’s profit structure and profitability, and to generate results across global operations by leveraging the collective strengths of the Group.

(Themes for improving and enhancing the Group’s profit structure and profitability)

- Promote sales price policies and increase our market share
- Enhance cost competitiveness around the world to improve marginal profit margin
- Implement global production, procurement, and logistics reforms to create a resilient supply chain
- Reduce existing fixed costs and prioritize upfront and strategic investments
- Achieve results from acquisitions, investments in production capacity expansion, and investments in research and development that have been carried out

(Themes aimed at generating significant results across global operations by leveraging the collective strengths of the Group)

- Actively expand the Applied Systems air-conditioning business globally and increase revenue from the commercial air-conditioning solutions business by providing added value for individual applications and markets
- Introduce differentiated products, enhance service capabilities, and respond to work simplification and labor savings in installation

In thoroughly implementing these initiatives amidst the harsh business environment, which includes declining demand in various regions, we closely followed the progress of each region and business and proactively and flexibly responded to changes in our business environment to minimize the negative impact of such changes on our business. At the same time, we worked to further expand our sales in strongly performing regions such as India and Japan and in strongly performing businesses, such as the Applied Systems air-conditioning business and the commercial air-conditioning solutions business, and improve profitability through operational efficiency utilizing digital transformation. We also continued to make investments with an eye to medium- to long-term growth, including investments in production capacity expansion leading to strengthening profitability, investments in research and development, investments aimed at the enhancement of the sales and service networks, and human capital investment for hiring and developing human resources, etc., to accelerate our future business expansion.

The Daikin Group’s net sales increased by 8.1% year over year to ¥4,752,335 million for the fiscal year under review. As for profits, operating profit increased by 2.4% to ¥401,669 million, an ordinary profit increased by 3.4% to ¥366,446 million, and profit attributable to owners of parent increased by 1.7% to ¥264,757 million.

Operating results by business segment are as follows:

(i) Air-Conditioning and Refrigeration Equipment

Overall sales of the Air-Conditioning and Refrigeration Equipment segment increased by 8.8% year over year to ¥4,384,548 million. Operating profit increased by 5.3% to ¥350,987 million.

In the Japanese air-conditioning equipment market, commercial market demand increased year over year due to a rise in capital investment including large-scale redevelopment and the new construction and renovation of office buildings and commercial facilities. Residential market demand increased year over year, driven in part by the higher-than-average temperatures since April and heightened demand from a record-breaking heat wave as well as a late summer heat. Against this backdrop, in the commercial air-conditioning equipment market, the Group expanded sales of high value-added products, focusing on the “FIVE STAR ZEAS,” which offers high energy-saving performance, "machi Multi," which meets individual operation needs, and the "VRV Q" series replacement type multi-split type air conditioner for buildings, which uses existing refrigerant piping to enable smooth replacement of air-conditioning systems. Accordingly, net sales increased year over year. In the residential air-conditioning equipment market, backed by expanding needs for energy-saving performance due to rising electricity prices and a significant increase in air-conditioner usage during the summer season, we expanded sales of high value-added products through energy-saving proposals, mainly for "Urusara X," which has high energy-saving performance, resulting in higher net sales year over year.

In the Americas, last-minute demand surged for residential air-conditioning systems using the current refrigerant (R410A), due to price increases and supply concerns related to product changeover required by refrigerant regulations. In addition to increasing the production of R410A models, the Group accelerated the sales of new models using R32, a low-global-warming-potential refrigerant known for its environmental benefits and energy-saving performance, and expanded its production. The Group also expanded sales of the environment premium product "Fit" system, which has high energy-saving performance. However, sales decreased as the Group was unable to fully capture the demand for R410A models, as well as due to slow shipments to independent distributors. Meanwhile, due to the positive effect of exchange rates, net sales after conversion to Japanese yen grew year over year. With regard to Applied Systems air-conditioning equipment, sales of air-conditioning systems grew as the Group captured demand from the growing data center and manufacturing industry markets by launching a new factory in Mexico and by expanding production capacity at existing factories and custom air handling unit manufacturers. Also, we expanded our solutions business and conducted new corporate acquisitions, which contributed to a significant increase in net sales year over year.

In China, demand has decelerated significantly due to the deteriorating real estate market, which led to a year over year decrease in overall net sales. Profits maintained a high level comparable with past results due to measures that included increasing sales of high value-added products and reducing costs. In the residential air-conditioning equipment market, where there was a slowdown in the economy, the Group strengthened its unique sales activities combining online-based activities, such as live broadcasts utilizing showrooms, web strategies, and social media, together with user-direct offline retail sales. In addition to sales of system products such as air-conditioning, ventilation, heat pump floor heating systems, and air quality sensor products, we also utilized the IoT and data analysis to enhance our home solutions, which provide air quality optimized for individual customers and proposals tailored to their lifestyles. In the commercial air-conditioning equipment market, the markets for government projects, factories, and green buildings (buildings designed with consideration for enhanced environmental performance) have been growing due to the promotion of carbon neutrality policies, and we strengthened proposals with energy savings as an inducement. In the Applied Systems air-conditioning equipment market, the Group invested resources to fields with firm demand, such as infrastructure, semiconductor, and medical-related, and also strengthened the repair and maintenance business.

In Asia and Oceania, sales in India significantly grew on the back of its strong economy, driving overall net sales higher year over year. With regard to residential air-conditioning systems, we reinforced our sales network in provincial cities in India, where demand is growing, and implemented sales promotion measures targeting dealers and consumers, as net sales increased year over year. Meanwhile, despite project delays and investment reviews caused by an increasingly uncertain economic outlook, sales expanded for commercial air-conditioning systems due to dealer development and training, resulting in higher net sales year over year. With regard to Applied Systems air-conditioning equipment, sales to factories and data centers grew, resulting in higher net sales year over year.

In Europe, there has been an ongoing decline in demand for residential heat pump hot water heating systems since last fiscal year, but as a result of expanded sales of commercial air-conditioning systems, overall net sales increased year over year. Sales of residential air-conditioning systems slowed temporarily due to high distribution inventories resulting from a decline in demand, but as a result of expanded sales in Italy, Central Europe, and other areas, net sales increased year over year. As for residential heat pump hot water heating systems, the decline in demand prompted by the reduction of government subsidy programs in major markets (Italy, Germany, France, etc.) is showing signs of having bottomed out, but end users are still reluctant to purchase residential heat pump hot water heating systems. Against this backdrop, we continued to work to strengthen our sales capabilities, including dealer development and support for subsidy applications, and expanded product lineup, but net sales were lower year over year. Meanwhile, for commercial air-conditioning systems, net sales increased year over year as a result of steadily capturing demand from hotels and restaurants which were boosted by the strength of the tourism sector and the energy-saving needs of offices, stores, and similar. For the Applied Systems air-conditioning equipment, net sales were higher year over year, mainly due to sales expansion to data centers.

In the Middle and Near East and Africa, net sales were significantly higher year over year. Increased orders for government-owned projects in Saudi Arabia and commercial projects such as data centers in the UAE drove sales. In Turkey, sales increased, driven by rising demand for residential air-conditioning systems caused by a heat wave along with our efforts on supporting dealers, etc.

In the filter business, factors such as sluggish sales in Europe caused by the economic slowdown and intensifying price competition in China and Southeast Asia, where the recovery of the semiconductor market has lagged, have had a negative impact. However, demand was solid, and exchange rates had a positive effect, causing overall net sales to increase year over year. In the United States, sales increased, driven by a growth in commercial sales owing to increased sales of high-gross-margin products through the expansion of our own dealerships. In Europe, although sales rose primarily in Northern Europe, sales for Europe as a whole remained at the same level year over year due to the recession, especially the automotive sector. In Asia and the Middle East, competition for low-priced products intensified and sales in the semiconductor market slowed in Southeast Asia, and the prolonged downturn in the Chinese real estate market caused stagnation in demand, resulting in a decline in overall sales in the Asia region including the Middle East and India. In Japan, there continued to be delays in work periods due to labor shortages in the construction industry and inventory adjustments for semiconductor manufacturing equipment manufacturers, but sales increased as a result of thorough implementation of sales expansion measures. The gas turbine and dust collection systems business saw robust sales due to the expansion of the sales region for special filters used in oil field applications.

In the marine vessels business, net sales increased year over year as a result of growth of sales of marine container refrigeration units and marine vessel air conditioners and refrigeration units.

(ii) Chemicals

Overall sales of the Chemicals segment decreased by 0.3% year over year to ¥263,028 million. Operating profit decreased by 10.4% to ¥46,119 million.

Although there was sluggish demand for a wide range of fields, particularly semiconductors and automobiles, that accompanied movements in distribution inventory adjustments, overall sales of fluorochemical products remained at the same level year over year due to the positive effects of exchange rates.

Sales of fluoropolymers decreased due to stagnated demand in the fields of LAN cables and materials for semiconductor equipment, but net sales remained at the same level year over year due to the positive effects of exchange rates. Meanwhile, net sales of fluoroelastomers were lower year over year due to distribution inventory adjustments in fields such as automobiles.

In specialty chemicals, demand for anti-fouling surface coating agents and etching agents for semiconductor processing recovered, but demand for oil and water repellents and intermediate function materials declined, causing net sales to remain at the same level year over year.

As for fluorocarbon gas, net sales were higher year over year due to efforts to expand sales and maintain pricing amid a challenging environment of declining demand and a weakening market.

(iii) Other Divisions

Overall sales of the “Others” segment increased by 2.1% year over year to ¥104,757 million. Operating profit decreased by 38.1% to ¥4,543 million.

In the oil hydraulic equipment business, although sales of oil hydraulic equipment for industrial machinery stayed high in the United States, sales decreased in the Japanese and European markets, resulting in a decrease in net sales year over year. Sales of oil hydraulic equipment for construction machinery and vehicles decreased in both the Japanese and the U.S. markets, resulting in a decrease in net sales year over year.

In the defense systems business, net sales were higher year over year due to increased orders from the Ministry of Defense and strong sales of oxygen concentrators and hypoxic systems (equipment that simulates high-altitude conditions to enhance exercise effectiveness in a short period of time by controlling oxygen concentration).

In the electronics business, despite efforts to expand sales of “SpaceFinder” and “Smart Innovator,” database systems for design and development sectors that meet customer needs by solving quality issues, shortening design and development periods, and supporting cost reductions, net sales decreased year over year due to factors including decrease in number of large projects.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2025

Total assets increased by ¥253,186 million from the end of the previous fiscal year to ¥5,133,416 million.

Current assets increased by ¥127,056 million from the end of the previous fiscal year to ¥2,853,654 million, mainly due to an increase in cash and deposits.

Non-current assets increased by ¥126,130 million from the end of the previous fiscal year to ¥2,279,761 million, primarily due to an increase in buildings and structures.

Liabilities increased by ¥73,795 million from the end of the previous fiscal year to ¥2,266,723 million, mainly due to an increase in long-term borrowings.

Net assets increased by ¥179,390 million from the end of the previous fiscal year to ¥2,866,693 million, primarily due to an increase resulting from the recording of profit attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2025

During the fiscal year under review, net cash provided by operating activities was ¥514,450 million, an increase of ¥114,882 million from the previous fiscal year, principally due to an increase in trade payables. Net cash used in investing activities was ¥337,406 million, an increase of ¥110,217 million from the previous fiscal year, primarily due to a decrease in proceeds from sale of investment securities. Net cash used in financing activities was ¥153,468 million, an increase of ¥23,845 million from the previous fiscal year, mainly due to a decrease in short-term borrowings. After including the effect of foreign exchange rate change to these results, net increase in cash and cash equivalents for the fiscal year under review, amounted to ¥25,608 million, a decrease of ¥59,899 million from the previous fiscal year.

(Reference) Trends in Cash Flow Indicators

	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Equity ratio (%)	51.4	51.5	51.9	54.0	54.6
Market value equity ratio (%)	201.7	171.6	160.9	123.6	92.1
Cash flows/Interest-bearing debt ratio (years)	2.0	3.4	5.6	2.4	1.9
Interest coverage ratio (times)	39.3	27.7	7.8	9.0	11.9

Notes:

1. Equity ratio = Equity capital/Total assets
   Market value equity ratio = Aggregate market value of shares/Total assets
   Cash flows/Interest-bearing debt ratio = Interest-bearing debt/Operating cash flow
   Interest coverage ratio = Operating cash flow/Interest payment
2. Each indicator is calculated based on the consolidated financial values.
3. Aggregate market value of shares is calculated as follows: (term-end closing stock price) × (term-end number of shares issued [after deducting shares of treasury shares])
4. Operating cash flow represents the “Net cash provided by (used in) operating activities” in the consolidated statement of cash flows.
5. Interest-bearing debt indicates the liabilities for which interest is paid on all the liabilities posted in the consolidated balance sheet. Interest payment corresponds to the amount of “Interest paid” in the consolidated statement of cash flows.
6. Due to changes in accounting policies, figures for the fiscal year ended March 31, 2021, were adjusted retrospectively.

(4) Business Forecast for the Future

The business environment surrounding the Group saw a greater focus on carbon neutrality among companies and individuals and despite increased demand for air-conditioning equipment for data centers in countries like the United States and air-conditioning demand overall in India, stagnant consumption and housing investment are expected to continue across the world due to the impact of inflation and high interest rates. Furthermore, due to the rise of protectionism led by rising tariffs in the United States and geopolitical risks in Europe, the Middle East, and other areas, the future outlook remains uncertain.

In this business environment, we will follow the Group’s slogan for our Annual Group Policy for 2025, “With our Unique Strengths and Bold Action-Taking, Let’s Conquer the Waves of Change.” Based on the Group’s accumulated strengths—our production and sales systems of local production and local consumption around the world, our solid sales networks, and our environmental and energy-saving technologies—we will strengthen our global horizontal efforts to improve our profitability and enhance our corporate structure. These will include expanding our Applied Systems and service solutions business, strengthening sales capabilities to balance sales price policies and sales and market share expansions, accelerating the launch of new and differentiated products for achieving this, and maximizing global cost reductions. These will enable us to take on the harsh business environment and achieve record-breaking performance.

Specifically, we will share know-how and information about advanced examples throughout the Group in order to strengthen our sales and proposal capabilities; launch new and differentiated products corresponding to the application and market needs of each region; and expand range and improve development speed of system products that integrate air conditioning, ventilation, humidification, dehumidification, floor heating, and other functions. In the Applied Systems air-conditioning business, where active investment centered on the United States is expected for data centers, the manufacturing industry, hospitals, and other market segments, we will leverage our sales network, which we have been expanding, along with our repair and maintenance options, device replacement proposal strengths, and instrumentation engineering strengths to expand sales and accelerate the transformation to a circular solutions business. We will achieve greater labor savings by automating production facilities, reduce costs of base models, standardize key components, maximize cost reductions by replacing copper materials with aluminum, and use the power of digital technology to streamline back-office operations. We will accelerate these initiatives throughout the Group to create an agile and strong structure.

With regard to the impact of additional tariffs in the United States, we plan to absorb the direct impact of tariffs that have already gone into effect primarily by passing on these rising costs. It is difficult at present to make future forecasts regarding the impact of the tariffs on the economy, so they have not been incorporated into our plans, but we will envision multiple scenarios of the impacts of tariffs on sales and prepare measures, both offensive and defensive, for absorbing and minimizing those impacts, such as further limiting the impact of tariffs by maximizing our use of production bases in the United States and Mexico, expanding sales by leveraging products which have tariff-related competitive edges over other companies' products, reducing costs, and curbing fixed costs even further. The products we manufacture at our production bases in Mexico satisfy USMCA regulations, so additional tariffs are expected to be delayed indefinitely.

For the fiscal year ending March 31, 2026, we forecast a 1.8% increase in consolidated net sales to ¥4,840,000 million, with operating profit increasing 8.3% to ¥435,000 million, ordinary profit increasing 10.5% to ¥405,000 million, and profit attributable to owners of parent increasing 2.7% to ¥272,000 million.

The estimated exchange rate for the fiscal year ending March 31, 2026, is based on the assumption that US$1 equals ¥140 and 1 euro equals ¥160.

The business forecasts are based on information currently available to the Company and certain assumptions that are deemed reasonable. A number of factors, some major ones of which are explained below, could cause actual results to differ significantly from these forecasts.

- Changes in the market environment including political conditions, the economy, unseasonable weather, and product demand
- Fluctuations in the exchange rates, fund-raising environment, and market value of securities
- Emergence of new products, services, and competitors
- Progress after acquisitions and alliances with other companies
- Quality issues of products and services, changes in the procurement environment for parts, and laws and regulations
- Information leaks due to unauthorized access or cyber attacks
- Strengthening of environment-related regulations and the occurrence of environmental problems
- Impairment of non-current assets, natural disasters, and epidemics of new infectious diseases

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2025, and the Fiscal Year Ending March 31, 2026

The Company will continue to focus on expanding its businesses while investing its assets strategically and improving its financial structure by such means as proceeding with the reduction of overall costs and enhancing its fiscal position. Through these initiatives, we are committed to being a truly global and excellent company while at the same time further improving our corporate value and enhancing profit returns to our shareholders.

Specifically, by striving to maintain a consolidated ratio of dividend to net assets (Dividend on Equity, DOE) of 3.0% while at the same time aiming for an even higher consolidated dividend payout ratio, we will introduce initiatives to further increase returns to our shareholders with the core goal of stable and continuous dividends.

Internal reserves will be applied to strategic investments in order to expand business and increase competitiveness such as reinforcing management practices, promoting global businesses, and accelerating eco-conscious product development.

For the fiscal year ended March 31, 2025, including a commemorative dividend of ¥50 to mark the 100th anniversary of the Company's founding in an interim dividend, the Company has proposed an annual cash dividend of ¥330 (¥185 for the interim dividend and ¥145 for the year-end dividend).

For the fiscal year ending March 31, 2026, the Company proposes an annual cash dividend of ¥330 (¥165 for the interim dividend and ¥165 for the year-end dividend).

2. Basic Stance Regarding Choice of Accounting Standards

The Daikin Group applies Japanese general accepted accounting principle (J-GAAP).

In terms of the International Financial Reporting Standards (IFRS), the difference between IFRS and J-GAAP, its potential impact on the Daikin Group and other effects are currently being studied. We will address the application of the IFRS appropriately upon taking into account various circumstances both in Japan and abroad.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	737,961	802,663
Notes and accounts receivable – trade, and contract assets	815,305	856,542
Merchandise and finished goods	696,363	709,232
Work in process	75,932	72,190
Raw materials and supplies	275,446	271,444
Other	148,126	163,975
Allowance for doubtful accounts	(22,536)	(22,395)
Total current assets	2,726,598	2,853,654
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	422,744	524,369
Machinery, equipment and vehicles, net	347,884	415,530
Land	85,135	99,532
Leased assets, net	5,476	5,789
Construction in progress	202,520	154,876
Other, net	71,220	79,228
Total property, plant and equipment	1,134,982	1,279,327
Intangible assets		
Goodwill	306,627	266,337
Customer-related intangible assets	246,186	237,048
Other	130,912	134,481
Total intangible assets	683,726	637,867
Investments and other assets		
Investment securities	171,857	160,032
Long-term loans receivable	1,381	1,799
Deferred tax assets	52,249	66,331
Retirement benefit asset	27,419	36,795
Other	82,564	98,089
Allowance for doubtful accounts	(550)	(481)
Total investments and other assets	334,922	362,566
Total non-current assets	2,153,631	2,279,761
Total assets	4,880,230	5,133,416

(Millions of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	326,033	362,158
Short-term borrowings	363,205	294,643
Commercial papers	50,419	29,554
Current portion of bonds payable	10,000	15,000
Current portion of long-term borrowings	63,446	58,176
Lease liabilities	40,087	42,790
Income taxes payable	41,261	47,193
Provision for bonuses for directors (and other officers)	353	259
Provision for product warranties	104,616	112,835
Accrued expenses	273,044	283,116
Other	294,521	297,317
Total current liabilities	1,566,990	1,543,047
Non-current liabilities		
Bonds payable	130,000	175,000
Long-term borrowings	194,918	239,920
Lease liabilities	116,110	131,766
Deferred tax liabilities	110,193	93,286
Retirement benefit liability	19,910	21,760
Other	54,804	61,941
Total non-current liabilities	625,936	723,675
Total liabilities	2,192,927	2,266,723
Net assets		
Shareholders’ equity		
Share capital	85,032	85,032
Capital surplus	78,014	87,304
Retained earnings	1,896,173	2,068,308
Treasury shares	(1,525)	(1,348)
Total shareholders’ equity	2,057,695	2,239,296
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65,729	53,770
Deferred gains or losses on hedges	358	945
Foreign currency translation adjustment	524,273	512,313
Remeasurements of defined benefit plans	(10,520)	(5,042)
Total accumulated other comprehensive income	579,840	561,985
Share acquisition rights	3,771	4,212
Non-controlling interests	45,994	61,199
Total net assets	2,687,302	2,866,693
Total liabilities and net assets	4,880,230	5,133,416

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	FY2023 (April 1, 2023, to March 31, 2024)	FY2024 (April 1, 2024, to March 31, 2025)
Net sales	4,395,317	4,752,335
Cost of sales	2,885,644	3,125,646
Gross profit	1,509,673	1,626,688
Selling, general and administrative expenses	1,117,536	1,225,019
Operating profit	392,137	401,669
Non-operating income		
Interest income	16,108	20,109
Dividend income	5,015	3,846
Share of profit of entities accounted for using equity method	1,605	2,176
Subsidy income	1,936	2,275
Other	5,289	5,601
Total non-operating income	29,955	34,010
Non-operating expenses		
Interest expenses	44,900	43,030
Foreign exchange losses	1,112	9,163
Settlement payments	2,570	—
Inflation accounting adjustment	12,501	9,023
Other	6,515	8,015
Total non-operating expenses	67,600	69,233
Ordinary profit	354,492	366,446
Extraordinary income		
Gain on sale of land	37	439
Gain on sale of investment securities	46,259	12,162
Gain on insurance claims	—	2,108
Gain on step acquisitions	—	1,717
Total extraordinary income	46,297	16,428
Extraordinary losses		
Loss on disposal of non-current assets	2,839	1,198
Loss on sale of land	—	181
Loss on valuation of investment securities	409	1,051
Loss on sale of shares of subsidiaries and associates	0	—
Loss on liquidation of subsidiaries and associates	—	46
Impairment loss	12,244	—
Distinguished service compensation	—	4,300
Other	0	1
Total extraordinary losses	15,494	6,779
Profit before income taxes	385,294	376,095
Income taxes – current	129,010	134,613
Income taxes – deferred	(13,550)	(33,966)
Total income taxes	115,459	100,647
Profit	269,835	275,448
Profit attributable to non-controlling interests	9,523	10,690
Profit attributable to owners of parent	260,311	264,757

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	FY2023 (April 1, 2023, to March 31, 2024)	FY2024 (April 1, 2024, to March 31, 2025)
Profit	269,835	275,448
Other comprehensive income		
Valuation difference on available-for-sale securities	13,748	(11,962)
Deferred gains or losses on hedges	(100)	586
Foreign currency translation adjustment	210,866	(14,419)
Remeasurements of defined benefit plans	(2,710)	5,594
Share of other comprehensive income of entities accounted for using equity method	1,475	1,465
Total other comprehensive income	223,278	(18,735)
Comprehensive income	493,114	256,712
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	480,121	246,902
Comprehensive income attributable to non-controlling interests	12,992	9,810

(3) Consolidated Statement of Changes in Equity

FY2023 (April 1, 2023, to March 31, 2024) (Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,032	79,478	1,712,165	(1,676)	1,874,999
Changes in items during period					
Dividends of surplus			(76,112)		(76,112)
Profit attributable to owners of parent			260,311		260,311
Effect of changes in accounting period of subsidiaries			(191)		(191)
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		399		158	557
Capital increase of consolidated subsidiaries		(858)			(858)
Change in ownership interest of parent due to transactions with non-controlling interests		(1,003)			(1,003)
Net changes in items other than shareholders' equity					
Total changes in items during period	—	(1,463)	184,007	151	182,695
Balance at end of current period	85,032	78,014	1,896,173	(1,525)	2,057,695

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	51,980	459	315,392	(7,801)	360,031	3,116	40,947	2,279,095
Changes in items during period								
Dividends of surplus								(76,112)
Profit attributable to owners of parent								260,311
Effect of changes in accounting period of subsidiaries								(191)
Purchase of treasury shares								(6)
Disposal of treasury shares								557
Capital increase of consolidated subsidiaries								(858)
Change in ownership interest of parent due to transactions with non-controlling interests								(1,003)
Net changes in items other than shareholders' equity	13,749	(100)	208,880	(2,719)	219,809	655	5,046	225,512
Total changes in items during period	13,749	(100)	208,880	(2,719)	219,809	655	5,046	408,207
Balance at end of current period	65,729	358	524,273	(10,520)	579,840	3,771	45,994	2,687,302

FY2024 (April 1, 2024, to March 31, 2025) (Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,032	78,014	1,896,173	(1,525)	2,057,695
Changes in items during period					
Dividends of surplus			(92,227)		(92,227)
Profit attributable to owners of parent			264,757		264,757
Effect of changes in accounting period of subsidiaries			(395)		(395)
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		591		183	775
Capital increase of consolidated subsidiaries		5,835			5,835
Purchase of treasury shares of consolidated subsidiaries		3,542			3,542
Change in ownership interest of parent due to transactions with non-controlling interests		(679)			(679)
Net changes in items other than shareholders' equity					
Total changes in items during period	—	9,289	172,134	176	181,600
Balance at end of current period	85,032	87,304	2,068,308	(1,348)	2,239,296

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	65,729	358	524,273	(10,520)	579,840	3,771	45,994	2,687,302
Changes in items during period								
Dividends of surplus								(92,227)
Profit attributable to owners of parent								264,757
Effect of changes in accounting period of subsidiaries								(395)
Purchase of treasury shares								(7)
Disposal of treasury shares								775
Capital increase of consolidated subsidiaries								5,835
Purchase of treasury shares of consolidated subsidiaries								3,542
Change in ownership interest of parent due to transactions with non-controlling interests								(679)
Net changes in items other than shareholders' equity	(11,959)	586	(11,960)	5,477	(17,855)	440	15,204	(2,210)
Total changes in items during period	(11,959)	586	(11,960)	5,477	(17,855)	440	15,204	179,390
Balance at end of current period	53,770	945	512,313	(5,042)	561,985	4,212	61,199	2,866,693

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2023 (April 1, 2023, to March 31, 2024)	FY2024 (April 1, 2024, to March 31, 2025)
I. Cash flows from operating activities		
Profit before income taxes	385,294	376,095
Depreciation	169,979	197,443
Impairment loss	12,244	—
Amortization of goodwill	45,585	48,572
Increase (decrease) in allowance for doubtful accounts	1,446	(173)
Interest and dividend income	(21,123)	(23,956)
Interest expenses	44,900	43,030
Share of loss (profit) of entities accounted for using equity method	(1,605)	(2,176)
Loss (gain) on disposal of non-current assets	2,839	1,198
Loss (gain) on sale of investment securities	(46,259)	(12,162)
Loss (gain) on valuation of investment securities	409	1,051
Loss (gain) on step acquisitions	—	(1,717)
Decrease (increase) in trade receivables	(36,092)	(40,093)
Decrease (increase) in inventories	36,528	(10,918)
Increase (decrease) in trade payables	(56,770)	30,580
Increase (decrease) in accounts payable - other	6,103	(128)
Increase (decrease) in accrued expenses	(2,180)	5,862
Increase (decrease) in retirement benefit liability	371	1,649
Decrease (increase) in retirement benefit asset	(3,925)	(9,436)
Other, net	21,653	57,350
Subtotal	559,398	662,072
Interest and dividends received	23,708	25,382
Interest paid	(44,624)	(43,325)
Income taxes paid	(138,915)	(129,677)
Net cash provided by (used in) operating activities	399,567	514,450
II. Cash flows from investing activities		
Purchase of property, plant and equipment	(242,633)	(245,985)
Proceeds from sale of property, plant and equipment	3,141	6,627
Purchase of investment securities	(1,450)	(17,505)
Proceeds from sale of investment securities	68,654	19,543
Purchase of shares of subsidiaries and associates	(1,548)	(1,094)
Payments for acquisition of businesses	(10,461)	(573)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,968)	(8,383)
Payments for investments in capital of subsidiaries resulting in change in scope of consolidation	—	(15,866)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	95
Decrease (increase) in time deposits	(28,592)	(42,028)
Other, net	(4,330)	(32,237)
Net cash provided by (used in) investing activities	(227,188)	(337,406)

(Millions of yen)

	FY2023 (April 1, 2023, to March 31, 2024)	FY2024 (April 1, 2024, to March 31, 2025)
III. Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	17,867	(96,689)
Proceeds from long-term borrowings	60,479	106,428
Repayments of long-term borrowings	(58,294)	(66,088)
Proceeds from issuance of bonds	–	59,802
Redemption of bonds	(20,000)	(10,000)
Dividends paid	(76,083)	(92,192)
Proceeds from share issuance to non-controlling shareholders	464	15,112
Dividends paid to non-controlling interests	(5,235)	(13,447)
Repayments of lease liabilities	(47,189)	(56,073)
Other, net	(1,631)	(320)
Net cash provided by (used in) financing activities	(129,623)	(153,468)
IV. Effect of exchange rate change on cash and cash equivalents	42,752	2,033
V. Net increase (decrease) in cash and cash equivalents	85,508	25,608
VI. Cash and cash equivalents at beginning of period	548,242	634,008
VII. Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	257	(1,511)
VIII. Cash and cash equivalents at end of period	634,008	658,105

(5) Notes to Consolidated Financial Statements

Notes on the Premises of the Company as a "Going Concern"

None applicable

Changes in Accounting Policies

[Application of the "Accounting Standard for Current Income Taxes," etc.]

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. from the beginning of the fiscal year ended March 31, 2025.

With regard to the amendment to categories in which income taxes, etc., should be recorded (taxes on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of Paragraph 65-2 of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gain or loss on sale of shares of subsidiaries, etc., resulting from transactions between consolidated companies were deferred for tax purposes, the Company has applied the Revised Implementation Guidance 2022 from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively, and the consolidated financial statements for the previous fiscal year have accordingly been restated. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

[Application of the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules"]

The Company has applied the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (PITF No. 46, March 22, 2024) from the beginning of the fiscal year ended March 31, 2025. For income taxes, etc., related to the global minimum tax rules, a reasonable amount of such income taxes, etc., has been estimated based on information available at the time of preparing the financial statements, and recognized in profit and loss.

The impact of this change on the consolidated financial statements for the fiscal year ended March 31, 2025 is immaterial.

Segment Information, Etc.

[Segment Information]

1. Summary of reported segments

   Reported segments of the Company are constituent units of the Company, for which separate financial statements are available and are subject to periodic review by the Board of Directors when deciding the allocation of management resources and evaluating business results.

   The Company designates "Air-Conditioning and Refrigeration Equipment" and "Chemicals," which are segmented based on similarities among products and services, as reported segments.

   "Air-Conditioning and Refrigeration Equipment" is engaged in the manufacture (including installation work) and sale of air-conditioning and refrigeration equipment. "Chemicals" is engaged in the manufacture and sale of chemicals.

2. Method of calculating net sales, profit or loss, assets, liabilities and other items by reported segment

   Methods of accounting procedures for reported business segments are in accordance with the accounting policies used to prepare consolidated financial statements.

   Profit of reported segments is the figure based on operating profit. Intersegment profit is based on market prices.

3. Information on net sales, profit or loss, assets, liabilities and other items by reported segment and information on disaggregate revenue
   Previous fiscal year (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Reported segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the Consolidated Financial Statements (Note 3)
	Air-Conditioning and Refrigeration Equipment	Chemicals	Subtotal				
Net sales							
Japan	588,697	72,630	661,327	61,557	722,885	—	722,885
U.S.	1,413,575	47,542	1,461,118	13,292	1,474,410	—	1,474,410
Europe	666,585	49,920	716,505	18,785	735,290	—	735,290
Asia and Oceania	589,944	36,443	626,387	4,152	630,540	—	630,540
China	458,797	55,380	514,177	2,916	517,093	—	517,093
Other	311,223	1,978	313,201	1,895	315,097	—	315,097
Revenue from contracts with customers	4,028,823	263,895	4,292,718	102,598	4,395,317	—	4,395,317
Other revenue	—	—	—	—	—	—	—
Sales to outside customers	4,028,823	263,895	4,292,718	102,598	4,395,317	—	4,395,317
Intersegment sales	2,005	27,822	29,828	1,053	30,881	(30,881)	—
Total	4,030,828	291,718	4,322,547	103,652	4,426,199	(30,881)	4,395,317
Segment profit	333,303	51,470	384,773	7,335	392,109	28	392,137
Segment asset	4,201,075	470,662	4,671,738	97,643	4,769,381	110,848	4,880,230
Other items							
Depreciation	141,819	24,310	166,130	3,843	169,973	—	169,973
Amortization of goodwill	43,249	240	43,490	2,094	45,585	—	45,585
Investments in entities accounted for using equity method	20,456	8,349	28,805	47	28,852	—	28,852
Increase in property, plant and equipment, and intangible assets	259,884	47,675	307,559	3,903	311,462	—	311,462

Notes: 1. The “Others” segment is a business segment not included in reported segments. It includes the oil hydraulic equipment business, the defense systems business, and the electronics business.
2. The breakdown of adjustment is as follows:
   (1) The adjustment of ¥28 million to segment profit comprises the elimination of intersegment transactions.
   (2) The adjustment of ¥110,848 million to segment assets includes corporate assets not allocated to each reported segment of ¥188,989 million and ¥(78,141) million of intersegment transaction elimination. Corporate assets mainly consist of long-term investment funds (investment securities) and surplus funds for management (cash and deposits) of the Company.
3. Segment profit is adjusted with operating profit in the Consolidated Statement of Income.

Current fiscal year (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reported segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the Consolidated Financial Statements (Note 3)
	Air-Conditioning and Refrigeration Equipment	Chemicals	Subtotal				
Net sales							
Japan	646,479	71,785	718,264	66,779	785,044	—	785,044
U.S.	1,581,852	40,133	1,621,986	14,056	1,636,043	—	1,636,043
Europe	714,553	49,989	764,543	15,574	780,118	—	780,118
Asia and Oceania	684,087	34,886	718,973	4,459	723,433	—	723,433
China	428,087	63,721	491,809	2,416	494,226	—	494,226
Other	329,487	2,511	331,999	1,470	333,469	—	333,469
Revenue from contracts with customers	4,384,548	263,028	4,647,577	104,757	4,752,335	—	4,752,335
Other revenue	—	—	—	—	—	—	—
Sales to outside customers	4,384,548	263,028	4,647,577	104,757	4,752,335	—	4,752,335
Intersegment sales	2,685	25,628	28,314	1,422	29,736	(29,736)	—
Total	4,387,234	288,657	4,675,891	106,180	4,782,071	(29,736)	4,752,335
Segment profit	350,987	46,119	397,106	4,543	401,650	19	401,669
Segment asset	4,401,769	523,503	4,925,273	104,499	5,029,773	103,643	5,133,416
Other items							
Depreciation	166,350	26,847	193,197	4,233	197,431	—	197,431
Amortization of goodwill	46,160	147	46,307	2,265	48,572	—	48,572
Investments in entities accounted for using equity method	22,967	2,545	25,512	49	25,562	—	25,562
Increase in property, plant and equipment, and intangible assets	274,016	44,450	318,466	6,181	324,648	—	324,648

Notes: 1. The “Others” segment is a business segment not included in reported segments. It includes the oil hydraulic equipment business, the defense systems business, and the electronics business.

2. The breakdown of adjustment is as follows:
   (1) The adjustment of ¥19 million to segment profit comprises the elimination of intersegment transactions.
   (2) The adjustment of ¥103,643 million to segment assets includes corporate assets not allocated to each reported segment of ¥195,559 million and ¥(91,916) million of intersegment transaction elimination. Corporate assets mainly consist of long-term investment funds (investment securities) and surplus funds for management (cash and deposits) of the Company.

3. Segment profit is adjusted with operating profit in the Consolidated Statement of Income.

[Relevant Information]
Previous fiscal year (From April 1, 2023, to March 31, 2024)

1. Information by product and by service
This information is omitted, as similar information is disclosed in segment information.

2. Information by geographical segment
(1) Net sales
This information is omitted, as similar information is disclosed in segment information.

(2) Property, plant and equipment

(Millions of yen)

Japan	U.S.	Asia and Oceania	Europe	China	Other	Total
208,944	322,353	184,227	158,646	189,328	71,481	1,134,982

3. Information by principal customers
This information is not stated, as there are no outside customers to which sales account for 10% or more of net sales in the consolidated statement of income.

Current fiscal year (From April 1, 2024, to March 31, 2025)

1. Information by product and by service
This information is omitted, as similar information is disclosed in segment information.

2. Information by geographical segment
(1) Net sales
This information is omitted, as similar information is disclosed in segment information.

(2) Property, plant and equipment

(Millions of yen)

Japan	U.S.	Asia and Oceania	Europe	China	Other	Total
224,011	353,782	227,345	196,018	192,660	85,508	1,279,327

3. Information by principal customers
This information is not stated, as there are no outside customers to which sales account for 10% or more of net sales in the consolidated statement of income.

[Information Related to Impairment Loss of Non-current Assets by Reported Segment]
Previous fiscal year (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Air-Conditioning and Refrigeration Equipment	Chemicals	Others	Corporate or eliminations	Total
Impairment loss	12,244	—	—	—	12,244

Current fiscal year (From April 1, 2024, to March 31, 2025)
None applicable

[Information Related to Amount of Amortization of Goodwill and Unamortized Balance by Reported Segment]
Previous fiscal year (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Air-Conditioning and Refrigeration Equipment	Chemicals	Others	Corporate or eliminations	Total
Balance at end of current period	290,239	146	16,241	—	306,627

Note: Amount of amortization of goodwill is omitted, as similar information is disclosed in segment information.

Current fiscal year (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Air-Conditioning and Refrigeration Equipment	Chemicals	Others	Corporate or eliminations	Total
Balance at end of current period	251,503	4	14,829	—	266,337

Note: Amount of amortization of goodwill is omitted, as similar information is disclosed in segment information.

[Information Related to Gain on Bargain Purchase by Reported Segment]
Previous fiscal year (From April 1, 2023, to March 31, 2024)
No important items applicable.

Current fiscal year (From April 1, 2024, to March 31, 2025)
No important items applicable.

[Impairment Loss]
In the fiscal year ended March 31, 2024, the Company recorded an impairment loss of ¥12,244 million on customer-related intangible assets and trademark right of the group of AHT Cooling Systems GmbH, its consolidated subsidiaries.

The group, which manufactures and sells commercial freezing and refrigeration showcases, etc., saw a reduction in sales due to greater-than-expected investment restraint by customers, and underperformed the business plan revaluated in the previous fiscal year. Accordingly, as a result of reviewing the medium-term business plan again while aiming to expand sales channels and strengthen the production and sales systems, and also reflecting the rise in discount rates due to increasing interest rates, the book value has been reduced to the recoverable value.

Per Share Information

(Yen)

Item	Previous fiscal year (April 1, 2023, to March 31, 2024)	Current fiscal year (April 1, 2024, to March 31, 2025)
Net assets per share	9,009.19	9,567.14
Earnings per share	889.22	904.27
Diluted earnings per share	888.64	903.65

Notes:

1. The basis for calculations of earnings per share and diluted earnings per share is provided below.

Item	Previous fiscal year (April 1, 2023, to March 31, 2024)	Current fiscal year (April 1, 2024, to March 31, 2025)
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	260,311	264,757
Amount not belonging to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common stock (Millions of yen)	260,311	264,757
Average number of shares of common stock during the year (Thousands of shares)	292,743	292,784
Diluted earnings per share		
Increase in the number of shares of common stock (Thousands of shares)	189	202
[Of the above, stock options by exercising share acquisition rights] (Thousands of shares)	[189]	[202]
Overview of residual securities excluded from the calculation of diluted earnings per share, as they have no dilutive effect	—	—

2. The basis for calculations of net assets per share is provided below.

Item	Previous fiscal year (As of March 31, 2024)	Current fiscal year (As of March 31, 2025)
Total net assets (Millions of yen)	2,687,302	2,866,693
Deduction from total net assets (Millions of yen)	49,766	65,411
[Of the above, share acquisition rights] (Millions of yen)	[3,771]	[4,212]
[Of the above, non-controlling interests] (Millions of yen)	[45,994]	[61,199]
Shareholders' equity pertaining to common stock at the end of the fiscal year (Millions of yen)	2,637,536	2,801,281
Number of shares of common stock used to calculate net assets per share (Thousands of shares)	292,760	292,802

Significant Subsequent Events

None applicable